

**MINUTES OF THE
COMMERCE AND WORKFORCE SERVICES
APPROPRIATIONS SUBCOMMITTEE**
Room 110, West Office Building, State Capitol Complex
January 24, 2007

MEMBERS PRESENT: Sen. Jon Greiner, Co-Chairman
Rep. Michael Morley, Co-Chairman
Sen. Mark Madsen
Sen. Ed Mayne
Sen. Wayne Niederhauser
Rep. Sylvia Andersen
Rep. Jim Dunnigan
Rep. Craig Frank
Rep. Lynn Hemingway
Rep. Mark Wheatley
Rep. Larry Wiley

STAFF PRESENT: Stan Eckersley, Fiscal Analyst
Karen Mitchell, Committee Secretary

Note: A list of handouts and visitors lists will be filed with committee minutes.

MOTION: Sen. Mayne moved to approve the minutes of January 22, 2007 with a correction on Kent Michie's name. The motion passed unanimously.

Commerce Department

Stan Eckersley, Fiscal Analyst, presented an overview of the Commerce Department budget request.

The Department of Commerce is the licensing and registration agency for Utah's professional and corporate community. Business registrations, professional licensing, consumer protection and education oversight of public utilities and monitoring real estate and securities industries are all in the department's scope.

The Division of Real Estate regulates, Utah's real estate industry. The Division of Real Estate licensure volume increased 50% over the last three years. The Department is requesting two office specialists. One individual would be assigned to Real Estate licensees and the other to Mortgage industry licenses. The Analyst recommends \$98,000 from the Commerce Service Fund to pay for two additional FTE.

The Division of Consumer Protection helps consumers and businesses deal with dishonest commercial practices. The Department is requesting one Consumer Protection Specialist to support investigations and license processing and records digitization. Investigations based on customer complaints are increasing at a rate of 11% annually. The number of charitable

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organization applications has increased by 300% over the last decade. The Analyst recommends \$49,000 in Commerce Service Funds for one additional FTE.

The Division of Occupational and Professional Licensing (DOPL) is responsible for licensing and regulating occupations and professions. Annually DOPL opens about 300 disciplinary files for professions it regulates. There are no back-up files. The Division would like to scan the files so that there would be a duplicate copy. The Analyst recommends \$120,200 from the Commerce Service Fund. The spending plan is \$45,000 for two temporary employees to do the scanning, \$11,800 for imaging equipment, \$50,000 for the initial web interface content manager (outsourced), \$2,000 for storage costs, \$5,400 for initial web content licensing of users at \$540 per license, and Utah Interactive payment receipt set-up costs.

The Commerce Department is requesting funding to expand and remodel part of its existing workspace. The Analyst recommends \$80,000 with \$40,000 from the Commerce Service Fund and \$40,000 from the Commerce Service Fund--Public Utility Regulatory Fee (PURF).

The Analyst recommends the following intent statements for Commerce General Regulation line item:

The legislature intends that at the end of the fiscal year, unused funds for the Committee on Consumer Services lapse to the committee's Professional and Technical Services and that unused funds for Public Utilities lapse to Public Utilities Professional and Technical Services.

The Department is requesting to buy one more vehicle for the investigator in the St George area at a cost of \$51,000.

The Analyst went on to discuss the various fees collected by the Department.

Francine Giani, Executive Director Department of Commerce, and Peter Anjewierden, Budget Officer, responded to questions from the committee. A handout was provided with response to questions asked by the committee at the January 10, 2007 meeting.

Blaine Walker, Chairman Real Estate Division, Chris Kyler, Utah Association of Realtors, Einer Schow, Utah Association of Mortgage Brokers, expressed their support of the Department.

MOTION: Sen. Mayne moved to accept the budget recommendations of the Analyst and the request from the department for permission to buy an automobile, \$51,000 to fund SB 79 and non lapsing for Public Utilities Professional and Technical and The Committee of Consumer Services Professional and Technical.

SUBSTITUTE

MOTION: Rep. Dunnigan moved to accept the budget recommendations of the Analyst and

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the request from the department for permission to buy an automobile, \$51,000 to fund SB 79, and non lapsing for Public Utilities Professional and Technical and The Committee of Consumer Services Professional and Technical. The motion includes a request that the department look at the fees. The motion passed unanimously with Rep. Frank absent for the vote.

Public Service Commission

The Analyst explained the goal of the Public Service Commission is to ensure safe, reliable, adequate and reasonably priced utility service.

The Analyst explained that the Commission only has one fee collected, a \$100.00 Application Fee from new local exchange carrier applicants.

The Analyst explained that Wexpro operates the natural gas and oil properties for the benefit of Wexpro Gas Company customers, (formerly Mountain fuel Supply) under an agreement approved by the Public Service Commission. The agreement calls for Wexpro to pay up to \$60,000 annually for outside consultants to monitor operations making sure activities conform to the agreement. The Analyst recommends transferring this part of the budget to the Division of Public Utilities in the Department of Commerce. The Department of Commerce agrees with this action.

Rick Campbell, Chairman Public Service Commission, and Julie Orchard, Public Service Commission Administrator, answered questions from the committee. A handout was provided.

MOTION: Sen. Mayne moved to accept Analyst recommendations and to add non lapsing intent language. The motion passed unanimously with Rep. Dunnigan absent for the vote.

MOTION: Rep. Andersen moved to adjourn. The motion passed unanimously, with Rep. Dunnigan absent for the vote. Rep. Morley adjourned the meeting at 3:17 p.m.

Sen. Jon Greiner, Co-Chair

Rep. Michael Morley, Co-Chair